

# THE FUTURE WORKPLACE ACROSS EUROPE



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A Cushman & Wakefield Business Briefing



## WHAT IT MEANS FOR THE PROFESSIONAL SERVICES SECTOR

The pace of change in the world of work would seem to be accelerating ever faster, driven by globalisation and increased competition, advances in systems and technology, and our own psyche. As individuals we are digesting more and more information in an effort to keep up. Indeed, more information will be created in 2012, than in the last 100 years combined. The channels of communication are multiplying with social and business media making even e-mail look outdated. Smart devices are enabling us to receive information from anywhere and communicate back through video as easily as text.

So what does this mean for our workplaces in the future? The Professional Services sector has been at the forefront of evolution in the workplace. This is a sector where the combination of knowledge and talent is the critical success factor for any practice and which is constantly questioning how people work and use technology within the workplace (be that in the office or at home).

But what next? To try and answer some of these questions, C&W hosted and facilitated a Think Tank amongst senior representatives of major professional services firms across Europe.

This publication summarizes the key findings.

## DRIVERS FOR CHANGE IN THE WORKPLACE

An effective workplace strategy can save up to 40% of your accommodation costs. However, the benefits for the business in respect to organisational effectiveness, staff satisfaction and client service can collectively be even greater. Participants were in agreement that key to any successful workplace strategy is getting senior stakeholder and staff buy-in and support ; a focus purely on workplace efficiency is unlikely to be sustainable in the long term.

Culture is misunderstood and often discounted as a touchy-feely component of business that belongs to HR. But smart companies recognise it as the oxygen for the organisation – it is often what really stimulates innovation, great customer service, information sharing and collaboration to achieve goals. Without the right oxygen the strategy will die.

There is more to culture than just the workplace, but when managed from a strategic perspective, there are few elements that can make as big an impact. This is not about office decor, but is about the interconnections of the organisation – its cohesion, focus, communication, collaboration and behaviour. Ultimately, it is only by understanding these inter-connections that significant changes to working practices can be made and sustained.

## WHAT IS A “PROGRESSIVE” WORKPLACE

It was generally agreed by participants that a progressive workplace was not a solution but a process – a process of constantly challenging mindset and perceived norms. “How will we work in 2020?” – the question is the answer. We need to challenge and question how we work -our behaviours, the way we collaborate and communicate, how we develop new ideas - and kill off old practices. There is a much talk of ‘agile working’ but really this is looking at the organisation from the wrong end of the telescope. A focus on enhancing the efficiency of workstations will not provide competitive advantage – but a focus on enhancing the effectiveness of people and driving cultural change will. Agility is a state of mind; a readiness to think and create new forms and adapt to change, and the workplace can be both a major facilitator and inhibitor of this.

Within professional services companies, the sharing of knowledge and the strength of communication are critically important. A progressive workplace needs to ensure that the workplace and the behaviours within it enhance collaboration and communication, which will ultimately drive the bottom line revenue generation.

# The Think Tank

The session was facilitated by Neil McLocklin, Sophie Hodges and Claire Hadcocks from C&W’s Global Business Consulting practice, and involved Victoria Mejevitch, Director of IPD Occupiers and Philip Ross from the Cordless Group. The discussion was also underpinned by a survey of participants to determine the key issues and trends across the sector within Europe. The event was conducted under Chatham House rules, so that no participating firm or individual could be identified or accredited to any of the output.



## ATTRACTING AND RETAINING TALENT

Four of the key inter-connections discussed were as follows:

- **Sense of Purpose** – the brand promise can be used to convey a sense of purpose to customers, staff, shareholders, the environment and the community.
- **Sharing** – not desks but ideas. The workplace can be designed to stimulate conversation and develop ideas and concepts, across teams, functions and even other organisations.
- **Sustainability** – this is where efficiency comes in. The workplace is incredibly wasteful and this is not only a business challenge but a global challenge. Leading thinkers on climate change acknowledge that we must change the way we live and work to address these challenges. Ensuring the workplace is efficiently utilised makes good commercial and environmental sense. The mindset change will ensure resources are not wasted or underutilised.
- **Social hub** – work is a very important social dimension and in attracting the best talent this cannot be underestimated. Take Google as a prime example of how to ensure that workplace in itself creates a compelling recruitment proposition



## VIRTUALISATION OF TECHNOLOGY

Virtualisation of technology has been a trend for some years now. It includes migrating servers away from the office and hosting them in data centres, enabling users to access systems via the 'cloud'. Furthermore, more applications are being hosted remotely as the desktop itself is becoming virtualised (Virtual Desktop Infrastructure) which enables access to 'thin' clients.

Philip Ross spoke of Google's office laptop vending machines, with the 'dumbed down' laptop becoming merely a device for accessing the network. The logical extension of this thinking is to enable staff to use their own devices to access networks and information, rather than providing corporate devices. The growth of tablets and i-pads in the consumer market is a significant factor in this thinking, and many organisations are already allowing staff to do this.

This whole trend effectively means a new 'thin' workplace. Staff can access systems, information and communication tools in the office, at home or whilst travelling, via i-pads and other consumer devices, in the process taking control away from local ICT managers and centralising support. The feeling within the forum was that this was an inevitable trend, with the main obstacle being ICT managers holding up security protocols as they try to preserve their roles in the short term. Security needs to be managed, but nobody would doubt that workers no longer wish to be shackled to the corporate 18 month old ThinkPad when they can be running the latest shiny gadget at both home and work. The consumerisation of enterprise IT also has beneficial aspects: the organisation has fewer devices it must buy and maintain, a potentially large saving for big organisations.

## CULTURAL AND MANAGEMENT DIVERSITY

Globalisation has often been confused with the notion of standardisation. The IPD session demonstrated the vast regional variation of space standards across Europe, not only in cost terms, but in occupancy. Whilst the Swiss are still average 26m<sup>2</sup> per desk, the Spanish are at less than half, at 12m<sup>2</sup>. There are also big variations in sector, with the legal sector on average in London still at 22.8m<sup>2</sup>. However, within the management consultancy and accountancy sector 10m<sup>2</sup> was at least a target for many firms, although again recognising the cultural challenges, particularly in southern Europe.

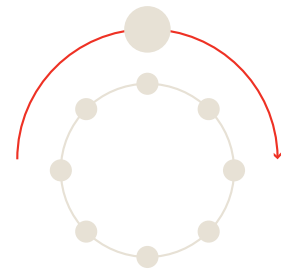
KEY INDICATORS BY COUNTRY			
COUNTRY	€ COST PER PERSON	m <sup>2</sup> SPACE PER PERSON	€ COST PER m <sup>2</sup>
Pan-Europe	7,581	17	449
UK	10,020	16	622
France	8,521	14	604
Germany	6,169	22	286
Benelux	6,617	19	344
Poland	4,031	14	281
Switzerland	12,243	26	468
Spain	4,736	12	398
Ireland	6,273	15	414
Italy	5,483	17	323

Source: IPD. Space is measured on net useable basis.

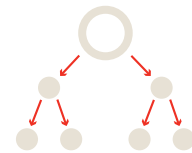
One of the reasons for these national variations within Europe is the vast difference in the diverse range of management styles that are embedded within the national psyches. This has been researched extensively by Richard Lewis who summarises the variations in culture/management styles (as illustrated on the right).

This has significant implications not only for the design and management of space but also for the implementation of new workplace programmes. The autocratic approach in France contrasts most notably with the consensual approach in Sweden. This is further complicated by variations in regulatory processes, most notably the power and importance of Works Councils in countries like Germany. The survey amongst participants found that Northern Europe was far more advanced than central, Eastern or Southern Europe in adopting new working practices of any description.

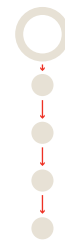
### Culture/management styles



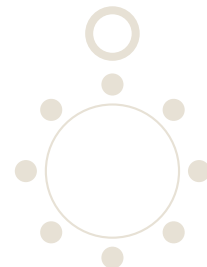
British, Casual Leadership



USA. Structured, individualism, speed, drive.



Franch. Autocratic.



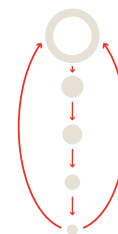
Swedish. Primus inter pares.

## THE MILLENNIAL GENERATION

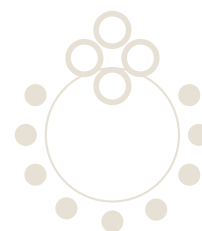
The characteristics of the Millennial Generation will inevitably have a big impact on the way we work and there has been a lot of research in this area by sociologists, market analysts and academics. Some of the key traits include:

- Importance of image – some commentators have applied the label of the ‘adobe generation’ as Facebook profiles are adapted to project the desired image
- Self inventive/individualistic – projecting their persona and view point in social media
- Re-writing the rules and the irrelevance of institutions – instinctively challenging the need to do something or follow a traditional route
- Internet connected and collaborative – sharing information and communicating through interactive discussion groups, and blogs as well as multi-media such as Skype and FaceTime. This is embedded in the way they learn at schools and colleges.
- Multi-tasking is the norm – listening to music, chatting via instant messaging and browsing the web. Again, this is embedded in the way they learn at schools and colleges.
- Celebration of diversity – all of the above supports an appreciation and broader understanding of the value of diversity.

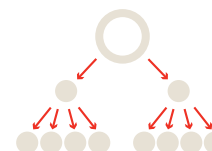
The Millennial generation will not revolutionise business and the workplace over-night, but the successful companies will recognise these traits and seek to leverage and integrate them, given the fact that many are sources of excellence business gurus have been advocating for many years. Yet within the group, there were some obvious disconnects in this area. Not one of the participating organisations for example used Skype (or desk top video) as a regular means of communication, despite it being second nature for the Millennials. Indeed, in terms of management practice, the survey amongst participants, even within these progressive organisations, found management by presenteeism alive and well and a lack of trust being a major barrier to enabling staff to work from home or other locations.



German. Hierarchy & Consensus.



Asian. Consensus rule.



Latin. Nepotism.

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### IN SUMMARY

In conclusion, the professional services sector is seen by many as having come a long way in developing new ways of working and more effective workplaces. However, the consensus at the event is that we are on the cusp of something even more exciting with interesting developments ahead.

Looking forward, the onus must be on Real Estate executives to work closely with colleagues in HR and ICT to re-think and shape the workplace to support the brand and attract the talent in the future. The best way to really predict the future is to create it.

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For more information about this briefing, please contact the authors:

#### **Neil McLocklin**

Partner, Global Business Consulting  
+44 (0)7715 475 135  
[neil.mclocklin@eur.cushwake.com](mailto:neil.mclocklin@eur.cushwake.com)

#### **James Meikle**

Partner, Professional Services  
Sector Group  
+44 (0)20 7152 5275  
[james.meikle@eur.cushwake.com](mailto:james.meikle@eur.cushwake.com)

#### **Neil Gorman**

Partner, EMEA Head of Professional  
Services Sector Group  
+44 (0) 20 7152 5542  
[neil.gorman@eur.cushwake.com](mailto:neil.gorman@eur.cushwake.com)

#### **Caroline Court**

Professional Services Sector Group  
+44 (0)207 152 5525  
[caroline.court@eur.cushwake.com](mailto:caroline.court@eur.cushwake.com)

#### **Debra Moritz**

Executive Managing Director  
Global Business Consulting  
Head of U.S. Business Consulting  
+1 (312) 470-2307  
[Debra.Moritz@cushwake.com](mailto:Debra.Moritz@cushwake.com)

#### **Jeffrey D. Lessard**

Managing Director  
Global Business Consulting  
Office Platform Solutions Lead  
+1 (603) 921 0102  
[jeffrey.lessard@cushwake.com](mailto:jeffrey.lessard@cushwake.com)